

STATE OF SOUTH CAROLINA

(Caption of Case)

PETITION OF SPRINT COMMUNICATIONS
COMPANY L.P. AND SPRINT SPECTRUM L.P. D/
B/A SPRINT PCS FOR ARBITRATION OF RATES,
TERMS AND CONDITIONS OF
INTERCONNECTION WITH BELL SOUTH
TELECOMMUNICATIONS, INC. D/B/A AT&T
SOUTH CAROLINA D/B/A AT&T SOUTHEAST

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET
NUMBER: 2007 - 215 - C

(Please type or print)

Submitted by: J. Jeffrey Pascoe

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DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition

☐ Request for item to be placed on Commission's Agenda expeditiously

☐ Other: _____

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input checked="" type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input checked="" type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other: _____	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		

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BEFORE THE
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

IN THE MATTER OF PETITION OF)
SPRINT COMMUNICATIONS COMPANY)
L.P. AND SPRINT SPECTRUM L. P.)
D/B/A SPRINT PCS FOR ARBITRATION)
OF RATES, TERMS AND CONDITIONS)
OF INTERCONNECTION WITH)
BELLSOUTH TELECOMMUNICATIONS,)
INC. D/B/A AT&T SOUTH CAROLINA)
D/B/A AT&T SOUTHEAST)

Docket No. 2007-215-C

PREFILED DIRECT TESTIMONY OF
MARK G. FELTON
FILED JULY 9, 2007

1 **I. INTRODUCTION**

2 **Q. Please state your name, business address, employer and current position.**

3 A. My name is Mark G. Felton. My business address is 6330 Sprint Parkway,
4 Overland Park, KS 66251. I am employed as a Contracts Negotiator III in the
5 Access Solutions group of Sprint United Management, the management
6 subsidiary of Sprint Nextel Corporation ("Sprint Nextel").

7 **Q. On whose behalf are you testifying?**

8 A. I am testifying on behalf of Sprint Communications Company L.P. ("Sprint
9 CLEC") and Sprint Spectrum L.P. d/b/a Sprint PCS ("Sprint PCS"). Sprint
10 CLEC is a competing local exchange carrier authorized to provide local
11 telecommunications services in South Carolina, and Sprint PCS is a commercial
12 mobile radio service ("CMRS") provider licensed by the Federal
13 Communications Commission ("FCC") to provide wireless services in South
14 Carolina. I refer to Sprint CLEC and Sprint PCS collectively in my testimony as
15 "Sprint".

16 **Q. Please outline your educational and business experience.**

17 A. I graduated from the University of North Carolina at Wilmington in 1988 with a
18 B.S. degree in Economics. In 1992, I received a Masters degree in Business
19 Administration from East Carolina University. I have been employed by a
20 subsidiary of Sprint Nextel (or of its predecessor parent) since 1988.

21 I began my career in 1988 as a Management-Intern Staff Associate at
22 Carolina Telephone and have held positions of increasing responsibility since

1 that time, including responsibility for Part 36 Jurisdictional Cost Studies,
2 identification of costs and development of prices for interexchange facilities
3 lease, responsibility for optional intraLATA toll products, maintenance of the
4 General Subscriber Services Tariff for South Carolina, primary point of contact
5 for the South Carolina Public Service Commission staff on regulatory issues, and
6 analytical support for such issues as access reform, price caps, and local
7 competition.

8 In June, 1999 I accepted the position of manager in Local Market
9 Development group. In this position I initially assisted, and then ultimately
10 became the Manager responsible for, pursuing and supporting implementation of
11 Sprint CLP interconnection agreements ("ICAs") under the Communications Act
12 of 1934, as amended (the "Act"), with incumbent local exchange carriers. My
13 responsibilities included negotiation, arbitration support (including the
14 submission of testimony before various State Commissions), and resulting
15 implementation of ICAs, including the existing ICA with BellSouth
16 Telecommunications, Inc. ("legacy BellSouth"), which I understand to be the
17 party in this docket now known as BellSouth Telecommunications, Inc. d/b/a
18 AT&T South Carolina d/b/a AT&T Southeast ("AT&T South Carolina"). I also
19 have personal knowledge of, and had at the time either direct or supervisory
20 responsibility regarding, each of the ten subsequent amendments to the parties'
21 existing ICA.

1 In 2004, my responsibilities encompassed management of all Sprint
2 Nextel interconnection agreement activity (i.e., CLEC, wireless and the former
3 Sprint LTD LEC interests) within the legacy BellSouth territory States. Although
4 the Sprint-AT&T South Carolina ICA always included both Sprint CLEC and
5 Sprint PCS, when the CLEC, CMRS and LTD management functions regarding
6 ICAs was consolidated, it was at this point in time that my supervisory
7 responsibility regarding the Sprint ICA in this docket expanded to include the
8 Sprint PCS aspects of the ICA.

9 My position is now within the Access Solutions group and, as of March,
10 2007, I now have primary responsibility for all interconnection-related
11 negotiation matters involving the regional Bell company commonly known as
12 Verizon. I continue, however, to provide support in this docket based upon my
13 direct involvement and, personal knowledge regarding the circumstances leading
14 up to the filing of Sprint's Petition for Arbitration in this docket.

15 Throughout the performance of my interconnection-related
16 responsibilities from 1999 through the present, I have been required to
17 understand and implement on a day-to-day basis Sprint's rights and obligations
18 (initially as a CLEC, and then also as a CMRS provider) under the Act, the FCC
19 rules implementing the Act, and federal and state authorities regarding the Act
20 and FCC rules.

21 **Q. Before what state regulatory commissions have you provided testimony?**

22 A. In addition to this Commission, I have provided testimony before the North

1 Carolina Utilities Commission, Florida Public Service Commission, the Georgia
2 Public Service Commission, the Kentucky Public Service Commission and the
3 Louisiana Public Service Commission.

4 **Q. What is the purpose of your testimony?**

5 A. The purpose of my testimony is to provide input and background to the
6 Commission regarding Sprint's Petition for Arbitration of the single issue of
7 whether AT&T South Carolina can deny Sprint's request to extend the parties'
8 current ICA for three years from March 20, 2007 pursuant to Merger Condition
9 No. 4 as approved by the FCC in the merger of AT&T, Inc. and BellSouth
10 Corporation (collectively "AT&T/BellSouth"). Specifically, I will explain the
11 current status of the parties' existing ICA, the basis upon which Sprint requested
12 AT&T South Carolina to extend the parties' current ICA for three full years from
13 March 20, 2007 pursuant to Merger Condition No. 4, and Sprint's positions in
14 light of AT&T South Carolina's refusal to honor Sprint's request.

15 **II. STATUS OF ICA AND HISTORY OF NEGOTIATIONS**

16 **Q. Is there currently an ICA in effect between Sprint and AT&T South**
17 **Carolina?**

18 A. Yes. The current ICA was initially approved by the Commission in Docket No.
19 2000-23-C. By mutual agreement, the Interconnection Agreement has been
20 amended ten times. It is my general understanding, and Sprint has relied upon,
21 the general practice of legacy BellSouth to file all ICA amendments with the
22 Commission. I believe a true and correct copy of the parties' current ICA, as

1 amended, is available for public review as a composite 1,169 page document
2 located on AT&T South Carolina's website at:

3 http://cpr.bellsouth.com/clec/docs/all_states/800aa291.pdf

4 For convenience, I have included a summary of all the amendments to the ICA as
5 Exhibit MGF-1.

6 **Q. When was the current ICA most recently amended?**

7 **A.** The 10th Amendment was executed by legacy BellSouth on October 16, 2006 and
8 Sprint on September 29, 2006.

9 **Q. When were negotiations initiated for a replacement ICA?**

10 **A.** On July 1, 2004, I sent legacy BellSouth a request for negotiation of a subsequent
11 interconnection agreement ("RFN") pursuant to Sections 251, 252 and 332 of the
12 Act. Incidentally, this was between the 4th (June, 2004) and the 5th (August,
13 2004) amendments to the current ICA. Therefore, the current ICA has been
14 amended 6 times since the parties commenced negotiations for a replacement
15 ICA. Moreover, the parties have spent considerable amounts of time ensuring
16 the current ICA remained up-to-date with changes in the telecommunications
17 industry and each party's policies and practices.

18
19 **Q. Did the parties mutually agree to change the start date of Sprint's RFN, and**
20 **the corresponding applicable Section 252(b)(1) day 135 start and day 160**
21 **close dates regarding such "window"?**

22 **A.** Yes, numerous times. Attached as Exhibit A to Sprint's Petition is a copy of the

1 parties' most recent agreement regarding the date of Sprint's RFN and the
2 corresponding applicable Section 252(b)(1) arbitration "window" day 135 start
3 and day 160 close dates for each of the nine states in the legacy BellSouth
4 territory.

5 **Q. What is Sprint's position regarding the continuing effectiveness of the ICA?**

6 A. It is Sprint's position that, based on the unequivocal language of Sections 2.1 and
7 3.4 of the Terms and Conditions section of the parties' ICA, as long as there is an
8 "open" arbitration window and no Subsequent Agreement has been executed, the
9 current ICA automatically converts from a "fixed" term to a rolling "month-to-
10 month" term. Further, the ICA states that under such circumstances it is
11 "deemed to be extended on a month-to-month basis". Based on the foregoing,
12 the ICA has continued as a current, effective, *unexpired* ICA the same as if the
13 original term was "month-to-month" instead of a stated "fixed" term. Therefore,
14 even though the "fixed" term expired on December 31, 2004, the "month-to-
15 month" term has yet to expire. See "Term" Section 2.1 at Composite ICA page
16 833 and "Renewal" Section 3.4 at Composite ICA page 816.

17
18 **Q. Did Sprint ever seek and obtain any confirmation in writing from legacy**
19 **BellSouth regarding the continuing effectiveness of the ICA after December**
20 **31, 2004 as long as there was an "open" arbitration window?**

21 A. Yes. Attached to my testimony as MGF-2 is an e-mail from legacy BellSouth
22 attorney Rhona Reynolds to Sprint attorney Joe Cowin which, in pertinent part,

1 states:

2 ... Pursuant to our discussion yesterday morning, this letter will confirm that
3 the existing provisions of the ICA between Sprint and BellSouth that we
4 discussed would cause the ICA to change to a month-to-month term
5 automatically upon expiration of the term, which is currently December 31,
6 2004. BellSouth considers ICAS that are on a month-to-month term to still
7 be effective and, therefore, permits amendment of those agreements in
8 accordance with the provisions of the ICA. The provision that gives
9 BellSouth the right to terminate the agreement upon 60 days notice would not
10 be invoked by BellSouth during the period when the arbitration window is
11 still open (emphasis added).
12
13

14 **Q. Have the parties continued to treat the ICA as a current and effective ICA**
15 **throughout the extended negotiations?**

16 A. Yes. The parties have not only continued to operate pursuant to the terms of the
17 ICA but, as I've previously stated, negotiated and entered into six *additional*
18 amendments to the ICA between Sprint's initial July, 2004 RFN and the third
19 quarter of last year, 2006.

20 **Q. What prompted the multiple extensions between Sprint's initial July, 2004**
21 **RFN and the filing of Sprint's Petition?**

22 A. The short answer is – the unsettled environment that existed in the
23 telecommunications industry surrounding UNEs. By agreement, between roughly
24 late 2004 through early 2006, the parties' focused their efforts on the various
25 Triennial Review Remand Order ("TRRO")-related litigation that was underway
26 in the different states, followed by extensive negotiations that revised Attachment
27 2 in order to bring the ICA into compliance with the FCC's final TRRO rules
28 affecting UNEs. The most extensive ICA amendment, i.e., the 9th Amendment

1 executed by the parties in April 27, 2006 (Composite ICA pages 873 to 1165),
2 reflects the fruits of the parties' TRRO-related negotiations. Beginning in
3 approximately May, 2006 the parties then turned their attention back to and
4 commenced negotiations regarding the non-UNE sections of the ICA.

5 **Q. As of December 29, 2006, had the parties' ever reached a meeting of the**
6 **minds as to all outstanding issues in the ongoing ICA negotiations?**

7 A. No. Not only did there remain substantive areas of dispute, it was always
8 understood, as in any negotiation that Sprint has ever been involved in, that any
9 tentative resolutions always remained subject to achieving a final acceptable
10 resolution as to all issues – which never occurred between the parties.

11 **III. THE AT&T/BELLSOUTH MERGER AND COMMITMENTS**

12 **Q. What happened on December 29, 2006?**

13 A. On December 29, 2006, the FCC approved the merger of AT&T, Inc. and
14 BellSouth Corporation (collectively "AT&T/BellSouth") subject to certain
15 AT&T/BellSouth voluntary merger commitments ("Merger Commitments")
16 which were set forth in a letter from AT&T, Inc.'s Senior Vice President –
17 Federal Regulatory, Robert W. Quinn, Jr., that was filed with the FCC on
18 December 28, 2006. Following the FCC's approval on December 29, 2006, the
19 AT&T/BellSouth merger closed the same day, making December 29, 2006 the
20 "Merger Closing Date".

21 The Merger Commitments can also be found in the FCC's March 26,
22 2007 formal Order authorizing the AT&T/BellSouth merger, which incorporated

1 the AT&T/BellSouth offered Merger Commitments.¹ As an express condition of
2 its merger authorization, the FCC Ordered that “AT&T and BellSouth shall
3 comply with the conditions [i.e., the ‘Merger Conditions’] set forth in Appendix
4 F” of the FCC Order.² A copy of the Table of Contents and Appendix F to the
5 FCC Order is attached as Exhibit “B” to Sprint’s Petition.

6 **Q. Does the FCC Order include any language regarding the commencement**
7 **date of the Merger Conditions?**

8 A. Yes. The FCC Order unequivocally states:

9
10 MERGER COMMITMENTS

11
12 For the avoidance of doubt, unless otherwise expressly stated to the
13 contrary, all conditions and commitments proposed in this letter are
14 enforceable by the FCC and would apply in the AT&T/BellSouth in-
15 region territory, as defined herein, for a period of forty-two months from
16 the Merger Closing Date and would automatically sunset thereafter.

17
18 FCC Order at p. 147, APPENDIX F (emphasis added).

19 **Q. Which Merger Commitment is Sprint concerned about in this docket?**

20 A. The Merger Commitment identified as “Reducing Transaction Costs Associated
21 with Interconnection Agreements” paragraph No. 4, which expressly provides:

22 The AT&T/BellSouth ILECs *shall permit a requesting*
23 *telecommunications carrier to extend its current interconnection*
24 *agreement*, regardless of whether its initial term has expired, *for a period*
25 *up to three years*, subject to amendment to reflect prior and future
26 changes of law. During this period, the interconnection agreement may
27 be terminated only via the carrier’s request unless terminated pursuant to

¹ *In the Matter of AT&T Inc. and BellSouth Corporation Application for Transfer of Control*, WC Docket No. 06-74 (Adopted: December 29, 2006, Released: March 26, 2007) (“FCC Order”).

² FCC Order, Ordering Clause ¶ 227 at page 112.

1 the agreement's 'default' provisions".

2
3 FCC Order at p. 150, APPENDIX F (emphasis added).

4
5 **Q. Did the parties discuss the impact of the AT&T/BellSouth merger upon the**
6 **then-pending ICA negotiations?**

7 A. Yes. Soon after the FCC-approved Merger Commitments were publicly
8 announced on December 29, 2006, the parties discussed the impact of the Merger
9 Commitments upon their pending ICA negotiations, and AT&T South Carolina
10 acknowledged that pursuant to Interconnection Merger Commitment No. 4 Sprint
11 can extend its existing ICA for three years. The parties disagree, however,
12 regarding the commencement date for such three-year extension.

13 **Q. What did Sprint do in response to the position taken by AT&T South**
14 **Carolina regarding Merger Commitment No. 4?**

15 A. I sent a letter dated March 20, 2007 to Ms. Lynn Allen-Flood (AT&T South
16 Carolina's point of contact during the ICA negotiations), in which I explained
17 that: i) Sprint considers the Merger Commitments to constitute AT&T South
18 Carolina's latest offer for consideration within the parties' 251/252 negotiations
19 that superseded or may be viewed in addition to any prior offers AT&T South
20 Carolina had made to the contrary; ii) pursuant to the express terms of
21 Interconnection Merger Commitment No. 4, Sprint requested an amendment to
22 Section 2 of the parties' current month-to-month ICA interconnection agreement
23 that

- 1 a) Converts the Agreement from its current month-to-month term
2 and extends it three years from the date of the March 20, 2007
3 request to March 19, 2010; and,
4
5 b) Provides that the Agreement may be terminated only via Sprint's
6 request unless terminated pursuant to a default provision of the
7 Agreement; and,
8
9 c) Since the Agreement has already been modified to be TRRO
10 compliant and has an otherwise effective change of law provision,
11 recognizes that all other provisions of the Agreement, as amended,
12 shall remain in full force and effect
13

14 and; iii) I further provided and requested AT&T South Carolina to execute and
15 return the proposed Amendment to implement Sprint's request regarding Merger
16 Commitment No. 4. A copy of my March 20, 2007 letter and Sprint's proposed
17 Amendment are attached to Sprint's Petition as Exhibit "C".
18

19 **Q. Did AT&T South Carolina respond to your March 20, 2007 letter?**

20 A. Yes. By letter dated April 4, 2007, Mr. Eddie A. Reed, Jr., Director-Contract
21 Management at AT&T, Inc. in Dallas, Texas, responded to my March 20, 2007
22 letter. A copy of Mr. Reed's April 4, 2007 letter is attached to Sprint's Petition as
23 Exhibit "D".

24 **Q. What was the message conveyed by Mr. Reed's response?**

25 A. Mr. Reed's letter denies Sprint's request for a three-year extension of the parties'
26 Interconnection Agreement from March 21, 2007 and reiterates that AT&T will
27 only voluntarily "extend the Sprint Agreement until December 31, 2007".

28 **IV. SPRINT'S POSITIONS IN LIGHT OF AT&T SOUTH CAROLINA'S**
29 **REFUSAL TO HONOR SPRINT'S REQUEST**

1
2 **Q. What is Sprint's position regarding when a 3-year extension of the parties'**
3 **existing month-to-month ICA should commence?**

4 A. The language of the Merger Commitments provides that unless otherwise
5 expressly stated to the contrary the commitments apply within AT&T/BellSouth
6 territories "*from the Merger Closing Date*". Pursuant to Merger Commitment
7 No. 4 AT&T South Carolina "*shall permit a requesting telecommunications*
8 *carrier to extend its current interconnection agreement, regardless of whether its*
9 *initial term has expired, for a period up to three years.*" Contrary to the AT&T
10 position, not only is there no language that suggests the commencement of any 3-
11 year period may *precede* the commencement date of the Commitments
12 themselves, the language that refers to an "initial term" makes it clear that any
13 expiration is irrelevant. Thus, the only logical conclusion is that AT&T is
14 committed to providing the 3-year extension of a parties' ICA from the time a
15 post-merger request for such a 3-year extension is made, as long as the request is
16 made within the overall 42-month window of the Commitments.

17 In Sprint's case, since the ICA is a continuing month-to-month term, the
18 benefit of the Merger Commitment to Sprint is conversion of the ICA to a fixed
19 extended 3-year term that (except for a default) can only be terminated by Sprint
20 during such period. A commencement date that corresponds to Sprint's request
21 date for such extension, i.e. March 20, 2007, recognizes the ICA is a continuing
22 agreement with an automatic rolling extension/expiration date, and results in a

1 conversion to a fixed three-year extension that expires on March 19, 2010, which
2 in and of itself is still within the time frame of the overall forty-two month
3 Merger Commitment limitation period (i.e., June 28, 2010).

4 **Q. If the 3-year extension does not commence with Sprint's post-merger**
5 **request, what is Sprint's position regarding the earliest reasonable date that**
6 **a 3-year extension should commence under the Merger Commitments?**

7 A. If the commencement date of the 3-year extension of the parties' current ICA is
8 not the same date as Sprint's request for such extension, the only other
9 reasonable interpretation of the Merger Commitments is a commencement date
10 of December 29, 2006 (i.e., the date "from" which the Commitments apply), at
11 the earliest. A commencement date of December 29, 2006 also recognizes the
12 current status of the ICA as a continuing agreement with an automatic rolling
13 extension/expiration date, and results in a conversion to a fixed three-year
14 extension that expires on December 28, 2009, which is also still within the time
15 frame of the overall forty-two month Merger Commitment limitation period (i.e.,
16 June 28, 2010).

17 **Q. If the 3-year extension does not commence with Sprint's post-merger**
18 **request, what is Sprint's position regarding the latest reasonable date that a**
19 **3-year extension should commence under the Merger Commitments?**

20 A. Sprint should not be penalized by AT&T's refusal to honor its Merger
21 Commitments. In light of the rolling month-to-month nature of the parties'
22 current ICA, if this docket is not resolved by year end 2007, it is Sprint's position

1 that for Sprint to realize the full benefit of a fixed term 3-year extended ICA, any
2 3-year extension should run from the end of the month-to-month term in which
3 the Commission's decision is made and implemented in this docket.

4 **Q. What is AT&T South Carolina's position regarding the date from which**
5 **any 3-year extension commences under Merger Condition No. 4?**

6 A. I understand AT&T South Carolina's position to be that Sprint may only extend
7 its Interconnection Agreement for up to three years *from* the "expiration" of a
8 specified (rather than month-to-month) term of the Sprint Interconnection
9 Agreement. Further, as I understand it, AT&T South Carolina's rationale for its
10 position is that the Parties' initial multi-year term was extended twice and,
11 therefore, initially "expired" on December 31, 2004, when the agreement
12 automatically converted to a month-to-month term. Therefore, AT&T South
13 Carolina's opinion is that any three-year extension commences *from* December
14 31, 2004, to result in a new "expiration" date of December 31, 2007. To my
15 knowledge, however, even under AT&T South Carolina's interpretation of the
16 Merger Conditions, it has never addressed the fact that under the terms of the
17 ICA no "expiration" has occurred at all due to the "deemed extension" of the
18 ICA each and every month.

19 **Q. What would the Commission have to do in order to accept AT&T South**
20 **Carolina's position?**

21 A. On its face, AT&T South Carolina's position requires the Commission to ignore
22 two facts. First, the parties' current ICA is by its terms "deemed extended" and,

1 therefore, is still in effect with a never-expired, rolling month-to-month
2 expiration date that automatically continues to extend and renew. And second,
3 AT&T South Carolina's position requires this Commission to apply the Merger
4 Commitments in a manner inconsistent with their express terms in order to,
5 essentially "back dating" their application to precede their effective date of
6 December 29, 2006.

7 **Q. What would be the practical effect of the Commission accepting AT&T**
8 **South Carolina's position?**

9 A. It would effectively re-write Merger Commitment No. 4 in a manner that
10 obliterates the clear intended benefit to requesting carriers of a post-Merger
11 Closing Date three-year ICA extension.

12 **Q. Have you reviewed the Petition for Arbitration filed by Sprint in this matter**
13 **and, if so, are the copies of correspondence attached as Exhibits A,C and D,**
14 **respectively, to the Petition true and correct copies of correspondence sent**
15 **or received by or on behalf of Sprint?**

16 A. Prior to executing the verification of the Petition for Arbitration filed by Sprint, I
17 reviewed it. Exhibits A and C to the petition are true and correct copies of
18 correspondence send by James C. Kite, II and by me, respectively, on behalf of
19 Sprint. Exhibit D to the Petition is a true and correct copy of correspondence
20 received by me from Eddie A. Reed, Jr., Director-Contract Management, AT&T
21 Wholesale Customer Care.

22 **Q. Does this conclude your Direct Testimony?**

1 A. Yes, it does.

**Summary of Amendments to the
Interconnection Agreement between
Sprint Communications Company L.P.
Sprint Spectrum L.P.
And
BellSouth Telecommunications Inc.**

Amendment No.	Executed	Purpose	Composite ICA Location (Page #s)
1	May 7, 2003	New Section 2.1.1 regarding UNE Loops	809-810
2	August 26, 2003	Added UNE rates and services specific to the states of Georgia and North Carolina in Exhibit B of Attachment 2.	811-814
3	December 3, 2003	<p>To delete, replace or otherwise add to Sections 2, 3, 10.11, 11.1 through 11.7, 14, 18.4 and 18.5, 29.3, 29.4, 29.5 and 37 in the General Terms and Conditions-Part A, Section 4.4 and Exhibit C to Attachment 1 – Resale, Sections 1.4.1, 1.4.2, 8.6, 13.2.1, 13.2.2, 13.2.4, 13.2.5, 13.6, 13.7, 14.1, 14.2 in Attachment 2, 1.15 in Attachment 7.</p> <p>Pertinent to this docket, the 3rd Amendment expressly provides:</p> <p>2. Term of the Agreement</p> <p>2.1 The term of this Agreement shall be from the effective date as set forth above and shall expire as of June 30, 2004. Upon mutual agreement of the Parties, the term of this Agreement may be extended. <i>If, as of the expiration of this Agreement, a Subsequent Agreement has not been executed by the Parties, this Agreement shall continue on a month-to-month basis.</i> (Emphasis added).</p> <p>3. Renewal</p> <p>3.1 The Parties agree that by no later than one hundred and eighty (180) days prior to the expiration of this Agreement, they shall commence negotiations for a new agreement to be effective beginning on the expiration date of this Agreement (Subsequent Agreement).</p> <p>3.2 If, within one hundred and thirty-five (135) days of commencing the negotiation referred to in Section 3.1 above, the Parties are unable to negotiate new terms, conditions and prices for a Subsequent Agreement, either Party may petition the Commission to establish appropriate terms, conditions and prices for the Subsequent Agreement pursuant to 47 U.S.C. 252.</p>	815-832

Amendment No.	Executed	Purpose	Composite ICA Location (Page #s)
		<p>3.3 Notwithstanding the foregoing and except as set forth in Section 3.4 below, in the event that, as of the date of the expiration of this Agreement and conversion of this Agreement to a month-to-month term, the Parties have not entered into a Subsequent Agreement and no arbitration proceeding has been filed in accordance with Section 252 of the Act, or the Parties have not mutually agreed where permissible, to extend, then either Party may terminate this Agreement upon sixty (60) days notice to the other Party</p> <p>3.4 <i>If an arbitration proceeding has been filed in accordance with Section 252 of the Act and if the Commission does not issue its order prior to the expiration of this Agreement, this Agreement shall be deemed extended on a month-to-month basis until the Subsequent Agreement becomes effective.</i> (Emphasis added).</p>	
4	June 3, 2004	<p>To replace Section 2.1 of the General Terms and Conditions – Part A</p> <p>Pertinent to this docket, the 4th Amendment expressly provided:</p> <p>2.1 The term of this Agreement shall be from the effective date as set forth above and shall expire as of December 31, 2004. Upon mutual agreement of the Parties, the term of this Agreement may be extended. <i>If, as of the expiration of this Agreement, a Subsequent Agreement has not been executed by the Parties, this Agreement shall continue on a month-to-month basis.</i> (Emphasis added).</p>	833-834
5	August 23, 2004	To make changes regarding Local Number Portability charges in Attachment 2.	835-836
6	January 19, 2005	To make changes to Section 4.8 in Attachment 3 regarding Sprint PCS Network Managers.	837-839
7	February 2, 2005	To incorporate UNE 2-Wire Voice Loop / Line Port Platform related rates and USOCs specific to each of the nine legacy BellSouth states into Attachment 2.	840-859
8	February 2,	To add Section 11.1.1 related to melded Tandem	860-871

Amendment No.	Executed	Purpose	Composite ICA Location (Page #s)
	2005	Switching to Attachment 2.	
9	April 27, 2006	To replace Section 17 of the General Terms and Conditions, transfer Sections pertaining to certain subject matters from Attachment 2 to Attachment 3, replace Attachment 2 with a new Attachment 2 to make the ICA compliant with the FCC March 11, 2005 effective Triennial Review Remand Order ("TRRO") in WC Docket No. 04-313, add SS7 rates to Attachment 3, and modify Section 1.1. of Attachment 6.	873-1165
10	October 16, 2006	To replace language in Section 6.2 through 6.4 of Attachment 3.	1166-1169

-----Original Message-----

From: Reynolds, Rhona [mailto:Rhona.Reynolds@BELLSOUTH.COM]
Sent: Friday, November 19, 2004 9:21 AM
To: Cowin, Joe P [CC]
Cc: Felton, Mark G [SBS]
Subject: Sprint ICA

Joe:

I apologise for not getting this to you yesterday. Pursuant to our discussion yesterday morning, this letter will confirm that the existing provisions of the ICA between Sprint and BellSouth that we discussed would cause the ICA to change to a month-to-month term automatically upon expiration of the term, which is currently December 31, 2004. BellSouth considers ICAs that are on a month-to-month term to still be effective and, therefore, permits amendment of those agreements in accordance with the provisions of the ICA. The provision that gives BellSouth the right to terminate the agreement upon 60 days notice would not be invoked by BellSouth during the period when the arbitration window is still open.

BellSouth will consider Sprint's request to extend the arbitration window to February 8 but, at this time, is willing to extend the window until January 21st. At this time, BellSouth is not willing to extend the term of the ICA.

I trust this addresses adequately the issues that you asked me to cover. If not, feel free to call me and we can discuss. If I do not hear from you in the interim, I hope you both have a nice Thanksgiving.

Rhona

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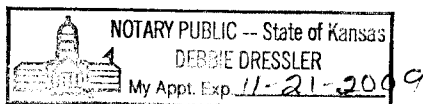
AFFIDAVIT

STATE OF Kansas

COUNTY OF Johnson

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Mark G. Felton, who being by me first duly sworn deposed and said that:

He is appearing as a witness on behalf of Sprint Communications Company L.P. and Sprint Spectrum, L.P. d/b/a Sprint PCS before the Public Service Commission of South Carolina in Docket No. 2007-215-C, and if present before the Commission and duly sworn, his testimony would be the same as set forth in the annexed Direct Testimony consisting of 17 pages and 2 Exhibits.



Mark G. Felton
Mark G. Felton

SWORN TO AND SUBSCRIBED BEFORE
ME THIS 5th DAY OF July, 2007.

Debbie Dressler
NOTARY PUBLIC

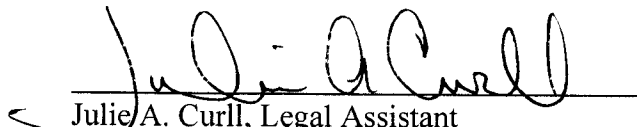
**BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA**

PETITION OF SPRINT COMMUNICATIONS COMPANY L.P. AND SPRINT SPECTRUM L.P. D/B/A SPRINT PCS FOR ARBITRATION OF RATES, TERMS AND CONDITIONS OF INTERCONNECTION WITH BELL SOUTH TELECOMMUNICATIONS, INC. D/B/A AT&T SOUTH CAROLINA D/B/A AT&T SOUTHEAST	Docket No. 2007-215-C
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on July 9th, 2007, he served a copy of the attached **Prefiled Direct Testimony of Mark G. Felton Filed July 9, 2007** by first-class mail, proper postage affixed addressed to the person(s) hereinafter named, at the place(s) and address(es) stated below, which is/are the last known address(es):

Patrick W. Turner, Esq.
General Counsel-South Carolina
BellSouth Telecommunications
Legal Department
1600 Williams Street
Suite 5200
Columbia, SC 29201


Julie A. Curll, Legal Assistant
Womble Carlyle Sandridge & Rice, PLLC
PO Box 10208
Greenville, SC 29603-0208

THIS DOCUMENT IS AN EXACT DUPLICATION, WITH THE EXCEPTION OF THE FORM OF THE SIGNATURE, OF THE E-FILED COPY SUBMITTED TO THE COMMISSION IN ACCORDANCE WITH ITS ELECTRONIC FILING INSTRUCTIONS.